

State of Iowa

Human Resource Management Succession Planning Guide

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Table of Contents

I. Overview

II. Process

A. Strategic

B. Assessment

C. Gap Analysis

D. Development

E. Recruitment

F. Outcomes

III. Appendix

A. Forms

B. Benchmark Organizations

Overview

If you were to ask a state supervisor to name their greatest concerns about the upcoming changes to the workforce, i.e., as baby boomers start to retire, the most likely responses they would provide would be:

- Loss of institutional knowledge
- Potential difficulties finding new workers
- Lack of bench strength to replace retiring workers

The Iowa Department of Administrative Services Human Resource Enterprise (DAS-HRE) has developed a variety of tools and resources to address those concerns. *Loss of institutional knowledge*, or knowledge transfer as it is more frequently referred to, is one of the main topics of the workforce planning workshops and associated Workforce Planning Guide. *Potential difficulties finding new workers* was one of the major reasons for developing the new recruitment chapter in the Applicant Screening Manual.

The third issue, *lack of bench strength to replace retiring workers*, is the underlying focus of this succession planning guide, which is intended as a tool to help improve a state agency's bench strength.

What is succession planning?

Here are two statements from “Georgia’s Flexible Succession Planning Model – Guidelines, 2005,” developed by the State of Georgia:

- “A systematic effort and process of identifying and developing candidates for key managerial or professional leadership positions over time in order to ensure the continuity of management and leadership in an organization. “
- “Succession planning is accomplished by identifying people with high potential leadership talent and ensuring that they are given work experiences and training to prepare them to assume higher level leadership positions.”

(State of Georgia, “Georgia’s Flexible Success Planning Model – Guidelines, 2005)

More simply put, succession planning is the building and nurturing of a talent pool for future leadership opportunities, which reflects the other term frequently used for succession planning, Talent Management.

The objective of succession planning is to ensure that the organization (or a unit of the organization) continues to operate effectively when individuals occupying critical positions depart. A succession plan may not include all existing managerial positions and may include positions that are not supervisory or managerial but instead utilize unique, hard-to-replace competencies.

Critical or “key” positions

What makes a position a critical one to replace (also called “key position”)? The major factors include the following:

- Organizational structure – The position is a key cog in the overall organization.
- Key task – Any position that performs a critical task that would stop critical action from taking place if it were left vacant.
- Specialized leadership – Any position that requires specialized or unique expertise that is difficult to replace.
- Geographic – The position is the only one of its kind in a particular location and it would be difficult for a similar position in another location to carry out its functions.

Succession planning is not:

Succession planning is frequently interchanged with the term “workforce planning.” The two strategies are not the same. Workforce planning is broader, aimed at the entire workforce. Succession planning is part of workforce planning, only its focus is on assuring that appropriate bench strength is in place for replacing critical positions.

What is “bench strength”? In essence, bench strength is an assessment of the organization’s preparedness to replace departing staff in critical positions. Primarily, this refers to having other staff on board who are ready to step into someone else’s shoes at the appropriate time under the appropriate circumstances with a virtually seamless transition.

It also means that, in making itself prepared, the organization has:

- Determined what positions are critical positions to replace
- Estimated when critical positions will become vacant
- Identified key competencies of critical positions
- Assessed current staff’s possession of these competencies

In addition to the above, succession planning is also not:

- a technique to plan individual career advancement opportunities (however, successful programs may provide for self-nomination).
- a reward for high performers.

- replacement hiring, which assumes that since the position is open, it should be filled with a candidate (internal or external) who reflects the abilities of the former incumbent or the job criteria as currently described.

Succession planning is strategic, both in the investment of resources devoted to it and in the kinds of talent it focuses on.

Succession Planning in the Public Sector

Succession planning within a public jurisdiction presents challenges which private companies and organizations may not experience. Therefore, some of the steps typically included in succession planning programs have been modified here from what might be found in the literature aimed at the private sector. These differences include the following:

1. No pre-selection.

Most public jurisdictions operate under some type of merit system whereby applicants and employees are selected for positions based on their qualifications for the job. Equity and fairness are underlying themes of merit systems; therefore, there should be no showing of having determined who will succeed any given person until such time as all qualified candidates are provided an equal opportunity to apply for and be considered for the job.

Situations where one individual is “crowned” as the successor long before the person being succeeded leaves and without benefit of a competitive process fall into the category of “pre-selection” and are to be avoided in the public sector. Why? Because they give certain people unfair advantage over others. That doesn’t mean, though, that selection decisions can’t be made well in advance of the incumbent’s departure IF the incumbent has given official notice of the intent to leave, and IF there is either a vacant position into which the successor can be promoted or an overlap situation has been approved by DAS-HRE and IF a full selection process occurs.

2. Transfer provisions based on seniority

In the State of Iowa, which has three state employee unions, not all vacancies are filled through a competitive process. There is a negotiated, specific order in which positions covered by collective bargaining contract are filled through transfer provisions. Persons in the same job class in the same organizational unit with the most seniority may transfer to the position before any other approach to filling the position may be considered, including promotion.

Succession planning typically involves management and supervisory positions. Neither type of position is covered by collective bargaining contract in the State of Iowa, so the transfer provisions described above would not apply. However, the other types of critical positions listed earlier – hard-to-fill, specialized knowledge, key positions within the organization in other respects – may likely be covered by collective bargaining contract. Succession planning for these positions must take potential transfers into account.

3. Retirement information and privacy rights

While it would certainly be helpful to those responsible for filling critical positions to know exactly when the incumbents in those positions plan to retire so they can focus succession planning efforts on those situations where the retirement is most imminent, the individuals occupying those positions have a right to privacy and confidentiality about their retirement plans. The employer cannot force them to reveal retirement plans.

Talent Pools

Another way in which succession planning in the public sector differs from succession planning in the private sector is the manner in which “talent pools” are created and are used in process of selecting successors. Talent pools are the individuals who could potentially succeed the current incumbent in a key position who have indicated an interest in being considered for the job if and when the opportunity might present itself. In other words, these are the internal competitors for the job.

Some, but not all, of the talent pool may be adequately prepared for the job without benefit of additional development. They truly represent existing bench strength for the job, because they could walk into it at any time and successfully perform the duties and responsibilities.

Others, though, may have “potential” talent to perform the job if exposed to additional development. How their development needs are determined and how they are met may differ in the public sector versus the private sector.

Consider how their development needs are determined. The criteria is the same in both the public and private sectors. The employer determines what key skills (competencies) will be needed by the position(s) in question, same or different than what are possessed by the current incumbent(s). The employer then assesses to what degree the necessary competencies are possessed/demonstrated by the potential successors and compares the results to what is needed. The “gap” between the two groups and levels of competencies becomes the area needing development. Development opportunities are established that address the development needs so that, if and when the key position becomes vacant and is to be refilled, those development needs will have already been met.

In large respect, WHAT is done in this process is the same for both sectors. It is the HOW that varies.

Assessment step

In the public sector, if the employer decides who will be assessed, the options are either:

1. Assess everyone
2. Assess everyone in a like group (such as, the division where the vacancy is anticipated)
3. Assess those who voluntarily request to be assessed.

The point is, there should be no showing of favoritism or predisposition to include or exclude anyone.

The method of assessing and the method for doing the gap analysis should also be the same for everyone being assessed for the same job, group of jobs or group of competencies.

Development Plans

The development plans may differ depending upon the development needs of those assessed. For instance, development plans for someone who needs more exposure to customer service skills may differ from those who need more exposure to written communications skills. This is a gray area of judgment. The more similar the development plans, the easier it will be to defend potential charges of favoritism. That is why many public employers have turned to the “training academy” or “certificate” approach to development where everyone who opts to participate in the program goes through the same repertoire of training. A good example of this in Iowa state government is the Certified Public Manager (CPM) program.

Who can participate?

If participation in the development program is voluntary, the critical step is in determining who can participate. Not everyone has the base level of competencies, even if they have the interest, to compete for key positions. Talent pools are not established for “all comers” but rather for those who show the most potential for the job.

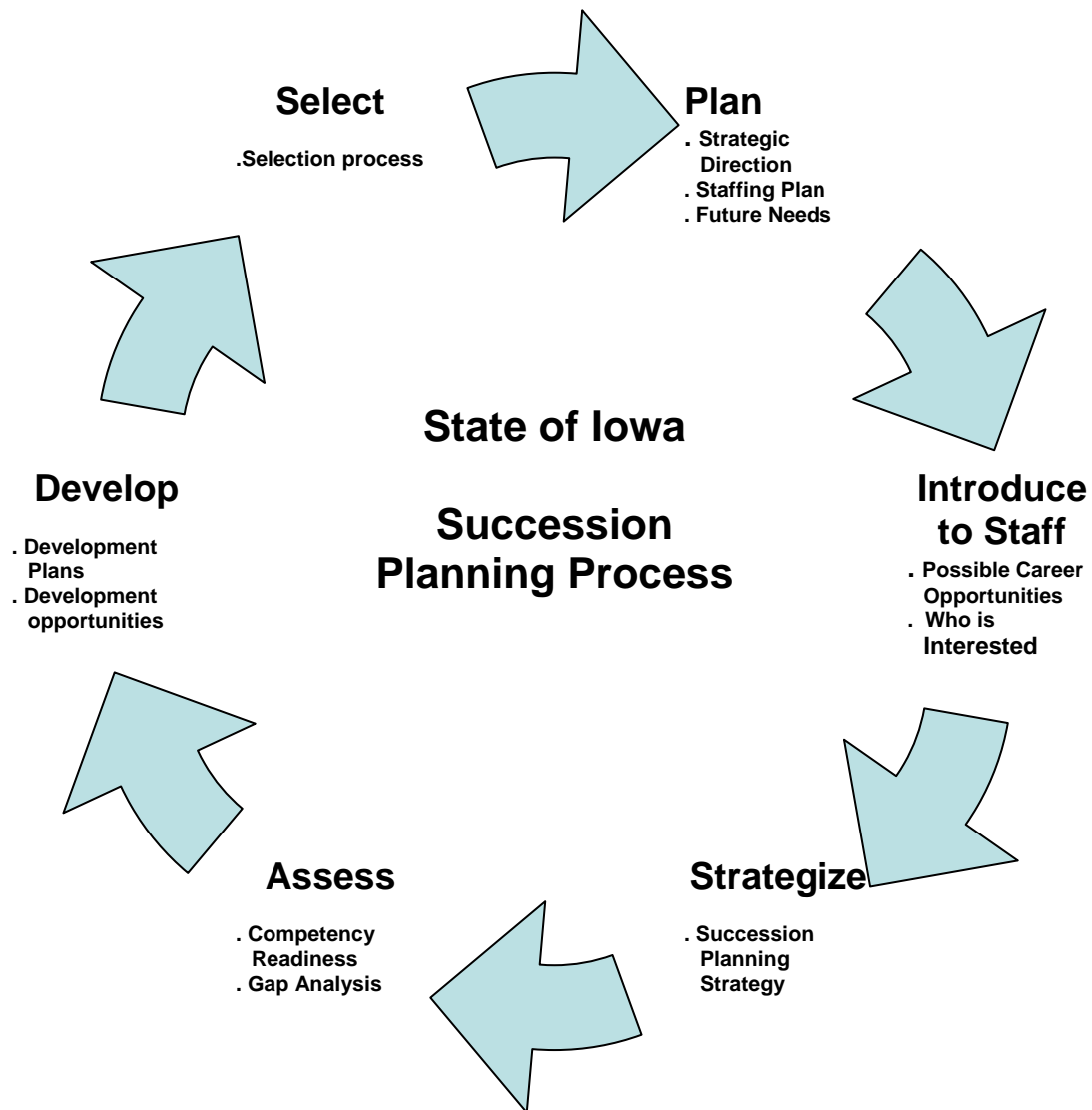
Moreover, development programs typically require a certain investment of time and other resources from the employer. For that reason, the employer may decide to put a cap on the number who can participate. In those cases, it would be wise to qualify enrollment language to allow the employer to set the final number depending on those who best qualify.

Although participation in the talent pool is not the selection process for the job, nor is it a guarantee that any participants will eventually be selected, it is related to career advancement and as such should be regarded in the same light as any other employment decision based on job relatedness, equity and fairness.

Other development opportunities

The following approaches may be included within formal training programs or as informal means of exposing staff to development opportunities. Other approaches include:

- Special assignments
- Task force assignments
- Mentoring
- Communities of practice
- Job shadowing
- Critical incident reviews
- Storytelling
- Job rotation



The Succession Planning Process

Steps in the Process

A. Articulate Strategic Direction

The first step is to identify and prioritize the future direction of the organization through its strategic plan. If done well, the strategic plan is succinct and crystal clear. Everyone in the organization knows the organization's basic goals.

B. Develop a Staffing Plan

The next step is to determine the staffing criteria that will help the organization accomplish its strategic goals. The Staffing Plan begins to identify the type and number of positions that will be needed. In addition, it also prioritizes staffing needs so that, as vacancies occur, it is clear to hiring authorities how the organization will react to them. The prioritization process involves identifying "key" positions. Succession planning deals primarily with this group, although needs may change.

The following questions are considered during this step:

- What positions or groups are critical to the accomplishment of these goals?
- What positions or groups are in danger of "knowledge drain" due to retirements or high turnover?
- What are the key positions for which succession planning is needed?

C. Describe Current and Future Needs

At this point, the organization identifies the specific skill sets that will be needed by key positions identified in the Staffing Plan through the identification of key competencies. These will serve as the framework from here on in determining bench strength within the organization. Questions asked at this step include:

- What work is the position required to do?
- What competencies are required to do this work?
- What competencies/skills differentiate successful performance from unsuccessful?
- What competencies will be needed in the future?

D. Communicate Possible Career Opportunities to Staff

At this point, the organization has identified its key positions and the competencies they will need. What it hasn't done, other than perhaps informally, is compare what it has (talent of current staff) versus what it will need. Before leadership takes that step, it needs to describe its staffing needs to the rest of the organization. Why? Because future staffing and career advancement opportunities can falter if the people who will be affected by them don't understand how they relate to the organization's future direction. Also, to compare bench strength with needs, the organization will have to conduct some type of staff assessment. That kind of activity may seem threatening to some, if they don't understand why it is being done or think it has not be conducted fairly.

The following are some actions leadership should take to address these concerns:

- Inform employees of the possible job opportunities that are anticipated over the designated time period.
- Communicate the key competencies needed for those jobs. What level of demonstrated skills and knowledge is management looking for in potential candidates for these jobs?
- Inform employees of the succession planning process that the organization tends to use.

E. Identify Who is Interested

It is important that leadership understand that not all current staff may want to be considered for the career opportunities they have described. This is the time to begin to assess interest. It will probably change with time and as staff acquire more experience with this type of process. Some may drop out and some may change their minds about participating. What is important for all to observe is that the process is voluntary and no successors have been "crowned" at this point.

- Give employees the opportunity to indicate interest in possible job openings and willingness to participate in succession planning activities.
- Clarify that participation in succession planning is not a guarantee of advancement.

F. Develop a Succession Planning Strategy

It is only at this point that the organization begins to formulate how it will assess current bench strength, identify gaps, provide development assistance, and select future successors of key positions. An argument could be made for putting this

step before the Communication Step, since an additional communication step will be needed to describe this specific process. The reason for putting it here is so that the initial communication with staff can focus on What and Why (we need to prepare to fill these positions) rather than on the How. And it is important that all staff, not just those interested in career opportunities, hear about the Why and the What so they can understand it within the framework of the rest of the organization.

Also, having surveyed the staff for interest, leadership now knows the size of their potential pool and can better gauge how much leadership time will need to be devoted to assessing staff. It will also know whether the potential pool of interested parties can sustain the organization's needs or if leadership will also need to look outside the organization at some point in the process.

Moreover, it is also at this point, as it articulates its succession planning strategy, that leadership develops the "rules" or framework within which this process will take place.

G. Assess Competency Readiness

By now, key positions have been identified. Competency requirements have been identified and defined. At this step, the organization assesses the talent pool that has voluntarily indicated its interest in being considered for future employment opportunities in these or similar positions. The method of assessment is contingent on the time and financial resources the organization wants to devote to this process. The following is based on information found in the State of Iowa Competency Guide, "Assessing Competencies."

The basic questions to be considered are:

- Does the employee possess or have the ability to perform the competency?
- If so, at what level?
- How well does the employee perform or apply this competency?
- Does the employee possess it in the manner it will be needed by the organization? Even if they possess it, have they thus far demonstrated it in the manner it will be needed by the organization?

The difficult part about assessing competencies is that they are best judged by whether or not the employee has demonstrated them in the job. That judgment is made either by the supervisor, peers, sometimes customers, or by the employee. Since there are many dimensions of competencies, they need to be described in more detail using these dimensions in order for all involved to understand what is expected or desired.

Purchased assessment services

For some of the more concrete competencies like math skills, spelling and punctuation, and reading comprehension, there are a variety of tests on the market that can be used for assessment purposes. If you need assistance identifying or reviewing any of these instruments, contact your personnel officer or Barbara Kroon at barbara.kroon@iowa.gov. Keep in mind, though, if any kind of employment decision will be made as a result of how the employee “scored” on these tools, the instrument must be validated for the job(s) in question.

State of Iowa assessment instruments

Not all competencies lend themselves to concrete testing situations from which “scores” can be derived. Many competency assessments must come from other means. A quick and informal means of assessing competencies is the self-assessment. This is a double-edged sword, having the advantage of the employee supposedly knowing herself or himself best and the disadvantage of the employee’s potentially skewed or unaware self-perception. However, it is a good place to start in inventorying the employee’s current capacity. An example of a self-assessment can be found in Appendix 5 of the State of Iowa Competency Guide.

The supervisor or others who know the employee’s work may also assess their competencies. This can be done from at least two different aspects. One, at what level is the competency required by the job and at what level is the employee performing/using it? The other aspect considers how well the employee is performing the competency. Appendices 6 and 7 in the State of Iowa Competency Guide provide examples of the first approach, and Appendix 8 is an example of the second.

It is important that this step be conducted fairly and equitably, both in actuality and in perception, to avoid and/or successfully defend against potential charges of pre-selection.

H. Gap Analysis

Once the assessment(s) have been completed, they are compiled and summarized graphically to show at a glance current capacity versus development needs. This can be done by listing assessment determinations in comparison to the levels needed of the required competencies. More detailed analyses of current capacity and needed capacity may also be done.

- Assess individuals’ readiness to assume possible job openings for which they have indicated interest. Compare the employee’s present competency level to that required by the anticipated vacancy.

- Identify competencies that need development to help ready the employee for potential vacancies in key positions.
- It is advisable to use an assessment instrument that actively engages the employee as well as the supervisor in determining the employee's competency levels.

I. Prepare Development Plans

This step combines the findings of the competency assessment with the gap analysis into a plan that addresses how the employee(s) can acquire the competencies they need and do not yet possess or how they will strengthen competencies they possess to reach the level required by the job(s).

The organization needs to determine if it will tailor development activities to the specific needs of individual employees or offer a general slate of development activities that address the composite needs of the talent pool. The first option would appear to be more closely related to actual needs. It also presents more challenges in that:

- It may require a broader spectrum of, and thus more costly, development options.
- It could potentially give the appearance of disparate treatment of individual employees if some receive more development opportunities, due to their needs, than others.
- It may take longer to achieve.
- It could potentially have a lower payback, if employees for whom special development opportunities were provided due to their needs separate from the organization before potential vacancies open up for them.

The organization needs to carefully consider the above concerns before selecting the more specialized option.

The advantages of the more general approach are that:

- Everyone is subject to the same opportunities.
- Everyone's progress can be assessed according to the same scale/criteria.
- Potentially, everyone can be exposed to the same options at the same time so that all finish at the same time.

This is also the point at which the policies and procedures associated with the program are developed and communicated with and acknowledged by members of the talent pool.

J. Provide Development Opportunities

This step implements Step I. The two steps have been separated in order to focus on the *What* in Step I and the *How* in Step J. Like Step G, it is important that this step be conducted fairly and equitably, both in actuality and in perception, to avoid and/or successfully defend against potential charges of pre-selection. The following are some ways the organization can do that:

- If development opportunities must be staggered or rotated, communicate this in advance to the talent pool and explain not only why this is necessary but also how decisions about who goes first or last, etc., will be made. Assure that the decision-making mechanisms for the order of exposure to these opportunities is clear and logical and can be defended.
- Make every attempt to maintain consistency in development opportunities if they are staggered or rotated, including content, timing and delivery methods.
- It is recommended that no attempt be made during the talent development process to eliminate individuals from the pool, except upon their voluntary termination of participation or for blatant abuses to the policies and procedures developed for the program and communicated to and acknowledged by participants prior to the beginning of development opportunities.
- Help the employee follow through with the development plan by setting up training options and allowing appropriate amounts of time to participate in training activities.
- Provide a variety of training options. Many do not have to be provided in the traditional classroom setting and do not have to be costly.

K. Formalize Eligibility

Up to this point, no decisions about successors have been made. Though those who have been interested in development opportunities may have demonstrated differing degrees of success, all should have received the same treatment. Now the formal selection process begins, which means the winnowing of the applicant pool until a specific hiring decision is made.

This is a distinct, separate step. Not all participants in the talent pool may indicate interest in being considered for a specific job vacancy. And the applicant pool for the position may include other qualified candidates than those who participated in the development activities.

The succession planning process and the hiring process are two distinct processes. They overlap at only one point, where the talent pool is given the opportunity to become part of the applicant pool.

This description of succession planning may differ from how private sector does succession planning, because there, selection decisions can be made well in advance so that the successor learns from the current position occupant while they are still present and/or are exposed to development opportunities following selection.

In the State of Iowa system, a modified version of this practice is available through the overlap provision. The administrative rule for overlaps, 11 – 57.8 (8A), http://www.legis.state.ia.us/ACO/IAChtml/011.htm#rule_11_57_8, allows up to 60 days for overlap once the successor has been selected OR the hiring authority may request a longer period of overlap through their personnel assistant, to be approved by the DAS Director.

